

## Report for Decision

**Report to** Executive  
22 April 2009

**Report of** Head of Housing Property Services & Head of Citizen Services

**Subject** Housing Communal Bins

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### Purpose

To ask the Executive to consider the provision of communal bins and stores and the options for funding this work.

### Recommendations

- a. That bin stores classed as Priority 1 be funded by the Housing Revenue Account from the existing communal bin budget. Other priorities to be completed as and when funding becomes available.
- b. That the cost of the bins be funded by the General Fund Account and officers investigate how this can be achieved.
- c. That no recharge be made to leaseholders for the costs involved in a and b above.

### Financial Consequences

£1.2m, already included within the HRA, will be used to fund the construction of the bin stores.

An estimated additional £60k is needed to purchase the communal bins for the priority 1 areas and this will be resourced within current budgets.

### Risk Assessment

A decision not to proceed with the provision of communal bins would contravene a stated objective of the Council to “introduce communal bins to improve recycling and waste management collection procedures in the city” and would compromise the authority’s stated ambition to be amongst the best recyclers in the country by 2012. Significant risk to the refuse collectors and the public would be retained if existing collection practices are maintained and any future contractor post 2010 would see this risk reflected in any price tendered for future work.

### Strategic Priority and Outcome/Service Priorities

This report helps to meet key strategic priorities within:

Safe and healthy neighbourhoods; by ensuring adequate facilities are provided for the safe collection and storage of waste and will offer easily accessible recycling facilities to residents in council owned flats and other communal areas

It will also support the implementation of the Integrated Waste Management Strategy adopted by Full Council in February 2007 which identified the actions within this report as a key method of delivering the council's strategic objective to increase recycling and provide effective waste management solutions. The action plan within the Strategy is included within the service plan for Citizen Services.

**Executive Member:** Cllr Brian Morrey & Brenda Arthur

**Ward:** All

**Contact Officers**

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**Background Documents**

None.

# Report

## Background

1. The Integrated Waste Management Strategy adopted by Full Council in February 2007 identified that a key method for delivering our strategic objective to increase recycling and provide effective waste management solutions was to:

“Improve waste collection and recycling facilities for flats by introducing communal bins”.

2. It was agreed this would involve the replacement of plastic sack collections with communal bulk bin facilities to provide for a cleaner and more efficient waste management service in many communal sites. Consequently a full survey of 400+ housing sites took place and a programme identified to enable a successful transition from individual sack collections to communal bulk collections.
3. A project co-ordinator within Landlord Services has been seconded to oversee the programme and to bring together the different strands of work including consultation, planning and implementing the work required.
4. A survey of over 400 sites has taken place and the work prioritised as follows:

Priority 1 - requiring the most work and resolve the majority of the collection difficulties - 42 sites

Priority 2 – requiring a lower level of work to provide communal bins and with less collection problems -34 sites

Priority 3 – Little or no work required and few anticipated collection problems -63 sites

Priority 4 – No work required as have already been brought within the AWC programme through provision of 240/360 litre bins-157 sites

## Bin Stores

5. An initial consultation has taken place with residents at six of the priority 1 sites in order to identify the sort of installation they would prefer. Although the majority of respondents have favoured ‘brick built compounds’ this type of construction is the most expensive, takes longer to construct and has the greatest visual impact. Therefore we are now investigating less expensive options such as wheel clamps, fencing and the like to keep the costs down. Clearly residents views will be taken into account for these and future sites.
6. The construction of the stores is included in the existing contract the Council has with Lovell Partnership. It is worth noting that a very extensive procurement process was followed with external validation from consultants who advised that value for money had been obtained in appointing Lovell (as one of the Council’s contractors) in 2006. The Council, through the open book contract we have with Lovell, have access to all supplier invoices, labour rates

and cost build ups and so we have absolute confidence that the costs being presented are the true cost of the work needed, as identified.

7. The following budget provision has been made in the housing capital programme, to cover the capital cost of installing bins shelters.
  - a. 2007/08 - £100,000
  - b. 2008/09 - £600,000
  - c. 2009/10 - £500,000
8. Initial estimated costs based on specific sites show these sums are likely to be insufficient to complete this work for all priorities. It has been estimated that the cost to complete all Priority 1 sites will be £1,206,800.

## **Bins**

9. The Council currently provides three types of bins free of charge to all householders namely 140, 240 and 360 litre wheeled bins. Advice from the Head of Finance indicates the cost of larger communal bins should be paid for through the HRA account since the scheme is catering for something differently from the norm. The normal default bin is a 240 litre wheeled bin whereas those to be used on the communal scheme are generally 1100 litre wheeled bins which are more expensive. A 240 litre bin will cost approximately £19 and an 1100 litre bin approximately £255 (an 1100 litre bin serves around 6 households and so the capital cost is more, however, they take up less space than the equivalent number of 240 litre bins, so there is a saving in the bin store construction costs. These bins are quicker and more convenient to collect and empty, and therefore overall cost less). This reduced cost will also be mitigated to some extent by the need for weekly collections to continue.
10. The current policy for supplying bins to other registered social landlords and other developers to be charged for and this accounts for the recoup of £50,000 of expenditure annually.
11. Consultation with other authorities would indicate there is no clear cut policy as most do provide all bins through the general fund revenue account
12. We believe that council tenants should not have to pay for the cost of the bins as the changes to the collections have been imposed by the council through the adoption of the integrated Waste Management Strategy. It is therefore proposed that the cost of the bins be financed from the general fund revenue budget. The cost of bins for all Priority 1 sites is estimated to be in the region of £60,000.

## **Charges to Leaseholders**

13. It is normal practice for any capital and revenue works to be recharged to leaseholders as long as this is provided for in the lease. Concerns have been raised on behalf of leaseholders, by ward councillors, about the potential costs for providing communal bin facilities.

14. The communal bin programme was part of a council wide waste management policy which has been implemented unilaterally without specific consultation with leaseholders. On this basis the council has received legal advice that it does not have to recover the cost of this change from leaseholders. This decision not to recover costs in this instance would not constitute a binding precedent with regard to other charges currently made or to be made in the future under the terms of any lease.
15. The cost of the new bin stores will be met from the Housing Revenue Account.

### **Other Options**

16. Do not install communal bins.

This would contravene a stated objective of the Council to introduce communal bins to improve recycling and waste management collection procedures in the city and would compromise the authority's stated ambition to be amongst the best recyclers in the country by 2012. Significant risk to the refuse collectors and the public would be retained if existing collection practices are maintained and any future contractor post 2010 would see this risk reflected in any price tendered for future work. Easily accessible recycling facilities would also be deprived to certain areas of the city.

17. Pay for bin stores from the General Fund Revenue Account.

The Head of Finance has advised that the stores themselves must be funded from the HRA and therefore cannot be funded from the general fund revenue account. However, the position with regards to paying for the communal bins is less clear and there are examples of other authorities who paid for the bins from the general fund revenue account.

The current arrangement for other social landlords is to meet any costs of providing such a service in full, including the bins.

18. Recharge Leaseholders for bin stores.

This option would probably result in a lengthy challenge as to whether communal bin stores and bins are covered by the lease. This would delay the project further and have the immediate effects outlined in paragraph 15.

### **Consultation with Residents**

19. It is proposed that if members agree to the continuation of this project that residents will be consulted, as previously agreed, with regard to the location and type of bin stores. Those residents previously consulted (see para 5) will be informed of any changes. Should the decision be to charge leaseholders formal section 20 leasehold consultation will need to be carried out.

### **What do other Councils do**

20. It would appear that there has been no national agreed way of funding the provision of bins or stores with the range of actions i.e. some council's using general funds for the provision of all bins and some for the lease of appropriate

containers whilst some have charged the full costs for the stores and bins to the HRA accounts (see Appendix 1)

## **Conclusion**

21. Members are asked to consider the above report and approve the recommendations in order for the project to proceed.

## Appendix 1

### What do other Councils do

#### Bin Stores

Tower Hamlets	Collection costs are met by the general fund with storage costs met by the land-owner. At Tower Hamlets Community Housing (a RSL) they recharge those costs directly to leaseholders as an itemised charge apportioned on a block by block basis - so it's the hire charge calculated on the basis of the number of bins in the block divided by the number of units. There is no information about the costs of building bin stores.
South Ayrshire Council	The costs for the installation of the bin stores and the bins were met by the HRA. They did not recharge leaseholders.
South Holland Council:	They have rolled out the AWC's across the district, but have left Council flats out and carried on with the individual black sack collections for the flats.
Lincoln City Council:	Any work required to house the bins was paid for through the HRA fund whilst bins were provided through the General Revenue Account. They argued that it was a corporate strategy to introduce the new bins/collections; therefore the bins should be paid for by the general fund. They calculated how much it would cost to supply paladin bins in communal areas, against how much it would cost to supply individual bins to each property, and there was little difference.

#### Communal bins

Council	Do you supply communal bins ?	Do you recharge ?
Broadland District Council	Yes	No
Castle Point Borough Council	Yes	Unclear
East Hertfordshire District Council	Yes	No
Epping Forest District Council	Yes – recycling only	No
Welwyn Hatfield District Council	No	n/a
Forest Heath District Council	No	No – charges made for additional collections
Peterborough City Council	Yes	No
Hertsmere Borough Council	Yes	Unclear
Three Rivers District Council	Yes	No
King's Lynn and West Norfolk Borough Council	Yes	No
Breckland District Council	Yes	No

As can be seen different organisations are tackling the issue in differing ways. However, it would appear that actual work to areas owned by housing is paid for through the HRA fund.